Directive

EDD Employment Development Department

State of California

JOB TRAINING PARTNERSHIP ACT

Number: D99-7

Date: November 9, 1999
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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: TITLE III PERFORMANCE STANDARDS FOR PY 1999/2000

EXECUTIVE SUMMARY:

Purpose:

This directive provides Title III performance standards data and instructions for Program Year (PY) 99/00.

Scope:

The requirements and instructions in this directive apply to the Title III formula-funded program.

Effective Date:

This directive is effective July 1, 1999.

REFERENCES:

- Job Training Partnership Act (JTPA) Section 106

- Title 20 Code of Federal Regulations, Sections 626-629 and 631, Final Rule

- Department of Labor (DOL) Training and Employment Information Notice (TEIN) 25-98, Subject: Guide to JTPA Performance Standards for Program Years 1998 and 1999 (May 3, 1999)

- DOL Training and Employment Guidance Letter (TEGL) 12-97, Change 6, Subject: JTPA Economic Data for Use in Performance Standards Models and Worksheets (August 9, 1999)

- DOL TEGL 12-97, Change 3, Subject: JTPA Title II and Title III Performance Standards for PYs 1998 and 1999 (September 17, 1998)

- DOL TEGL 12-97, Change 2, Subject: JTPA Title II and Title III Performance Standards for PYs 1998 and 1999 (August 5, 1998)

- DOL TEGL 12-97, Change 1, Subject: JTPA Title II and Title III Performance Standards for PYs 1998 and 1999 (July 7, 1998)

- DOL TEGL 12-97, Subject: JTPA Title II and Title III Performance Standards for PYs 1998 and 1999 (June 30, 1998)

- JTPA Directive D95-10, Subject: Adjustments of Service Delivery Areas Performance Standards (August 17, 1995)

STATE-IMPOSED REQUIREMENTS:

This directive contains some State-imposed requirements. These requirements are indicated by **_bold, italic_** type.

FILING INSTRUCTIONS:

This directive supersedes JTPA Directive D98-14, dated February 11, 1999, and finalizes Draft Directive DD-23, issued for comment on October 18, 1999. Retain this directive until further notice.

BACKGROUND:

Section 106 of the JTPA requires that the Secretary of Labor prescribe performance standards for dislocated worker programs under Title III. The Secretary has provided multiple regression models for use by the governors of each state to accomplish this provision. In addition, Section 106(d) further provides that each governor shall prescribe, within parameters established by the Secretary, (1) variations in the performance standards based upon specific economic, geographic, and demographic factors in each Service Delivery Area (SDA); (2) the characteristics of the population to be served; (3) the demonstrated difficulties in serving the population; and (4) the type of service to be provided.

POLICY AND PROCEDURES:

I.   PERFORMANCE MEASURES

There are two performance measures for programs serving dislocated workers: Entered Employment Rate (EER) and Average Wage at Placement (AWP). The Governor is required to implement the core EER measure while the AWP measure is optional. For PY 99/00, the State established only the EER as a required measure.

Effective July 1, 1998, states have been authorized to use the wage record data collected by the Unemployment Insurance program in place of follow-up data collected through telephone surveys to compute the following postprogram follow-up measures: Follow-Up Employment Rate and Average Wage Replacement Rate at Follow-Up. Adjustment models and departure points will not be available for setting local wage-based follow-up standards for PY 99/00.

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The DOL gave the State the option to use Average Wage Replacement at Termination as an additional noncore measure. The State has decided not to use Average Wage Replacement at Termination for PY 99/00.

II.   PERFORMANCE LEVELS

For PY 99/00, SDAs are required to meet or exceed the EER standard by the end of the program year (i.e., June 30). At the mid-point of PY 99/00, the State will provide SDAs with a progress report of their Title III, EER performance, based on the second-quarter data. The SDAs failing this measure at mid-point of the program year will be offered technical assistance to improve their performance or help in exploring adjustments to the standard caused by factors beyond their control.

III.   INCENTIVE/SANCTIONS

The final assessment of EER performance outcomes will be based on the Title III fourth-quarter reports due July 25, 2000 (or August 20, 2000, if a revised fourth-quarter report is filed). The Governor has elected not to provide incentive awards for Title III performance.

IV.   PROCEDURES FOR CALCULATION OF PERFORMANCE

The SDA standards for Title III programs are set by using the Secretary's multiple regression models. Regression models account for local factors that affect performance such as participant characteristics, program mix, and the unemployment rate.

A. SETTING STANDARDS

1. REGRESSION MODEL WORKSHEETS

Regression model worksheets (for both the EER and AWP) and instructions for the calculation of performance standards for the program year are contained in *Attachments 1* and *2*, respectively. The worksheets were issued by the DOL in TEGL 12-97, Change 3 (September 17, 1998). The worksheets were generated using a statistical technique called multiple regression analysis. This method estimates the factor weights

presented on the worksheets. The weights represent the simultaneous influences of various participant characteristics and local economic conditions on SDA program performance.

2. DATA

The local factor values in the performance standards worksheets are calculated from quarterly data provided by the SDAs and reported on their JTPA 11, Participant Characteristics Summary. Local economic data for PY 99/00 are provided in *Attachment 3*. These data are based upon the latest available information prepared by the Employment Development Department Labor Market Information Division and/or the DOL.

3. EXTREME VALUES

Although the regression models produce meaningful performance standards for most SDAs, under some circumstances, the results are unacceptably extreme. Each year, the Secretary publishes tables of extreme values for model-adjusted standards and for local factors. Extreme values are listed in *Attachment 4*.

Extreme local factor values may indicate the need for adjustments beyond the model. Whenever an SDA has one or more extreme local factor values, we encourage a request for an adjustment. ***The Job Training Partnership Division (JTPD) staff will unilaterally adjust any model-adjusted EER standard with extreme values (unless the adjustment will have no effect on whether or not the SDA exceeds the standard). Adjustments using a wider tolerance range will not be considered***.

4. ADJUSTMENTS BEYOND THE MODEL

The regression models do not necessarily take into account every factor that may affect performance. Further, weights applied to local factors in the models are based on national performance levels, and this may not reflect California experience. Therefore, requests for adjustments to performance standards are encouraged whenever local circumstances make such adjustments appropriate. Adjustments are applied to the EER measure only.

Although adjustments beyond the model must meet the federal criteria, an initial request for adjustment need not include extensive technical data. The adjustment process may begin with a simple written statement of concern. Upon receipt of the written request, JTPD staff will provide technical assistance in determining if the requested adjustment meets the federal criteria and in developing an appropriate adjustment methodology. Requests will be processed in accordance with procedures described in JTPA Directive D95-10, Adjustments of SDA Performance Standards.

B. PERFORMANCE-ACTUAL OUTCOMES

Actual performance is calculated from data extracted from the SDA's JTPA 10E. The performance outcomes for the EER measure are derived as follows:

The number of individuals who entered employment of at least 20 hours per week at termination (excluding those who were recalled or retained by the original employer after receipt of a layoff notice) as a percentage of total terminations (excluding those who were recalled or retained by the original employer after receipt of a layoff notice).

C. VARIANCE

Variance is the degree by which a standard is exceeded, met, or failed.

For the EER core measure, the variance will be the difference between the standard and the actual performance.

EXAMPLE

Entered Employment Rate Performance	73.5%
Entered Employment Rate Standard	-65.5%
Difference	+8.0%
Variance (equal to the difference)	+8.0%

ACTION:

It is the SDA's responsibility to establish, maintain, and exercise ongoing controls to ensure compliance with these requirements.

INQUIRIES:

If you have any questions regarding this directive, please contact Karen Yuke of the Data Analysis Unit at (916) 654-7585, or Betty Lai of the Data Analysis Unit at (916) 653-1516.

/S/ BILL BURKE
Assistant Deputy Director

Attachments

WORKSHEETS FOR CALCULATING
TITLE III PERFORMANCE STANDARDS
PROGRAM YEAR (PY) 1999/2000
(July 1, 1999, through June 30, 2000)

Entered Employment Rate (core)

Average Wage at Placement (noncore)

JTPA PERFORMANCE STANDARDS WORKSHEET
FOR PY 99/00
Entered Employment Rate (Title III)

A. Service Delivery Area's Name:			B. SDA Number:		
C. Performance Period: PY 99/00	D. Type of Standards: [ ] Plan [ ] Recalculated		E. Performance Measure: **Entered Employment Rate (Title III)**		
F. Local Factors	G. SDA Factor Values	H. National Averages	I. Differences (G-H)	J. Weights	K. Effect of Local Factors On Performance (I * J)
1. % Female		55.2		-0.023	
2. % Age 55 or more		8.2		-0.092	
3. % Not a high school graduate		8.2		-0.058	
4. % College graduate		12.2		0.005	
5. % All minority		24.4		-0.025	
6. % Minority male		10.4		-0.014	
7. % Cash welfare recipient		2.7		-0.076	
8. % Basic skills deficient		34.9		-0.026	
9. % Individual with a disability		3.1		-0.090	
10. % Offender		5.2		-0.014	
11. % Displaced homemaker		1.5		-0.042	
12. % Unemployed 15 or more weeks		36.1		-0.046	
13. % UI claimant		64.8		0.016	
14. Unemployment rate		5.7		-0.186	
15. % Employed in manufacturing, agriculture, and mining		20.3		-0.140	
16. % Families with income below poverty		10.6		-0.179	
17. Employee/resident worker ratio		97.2		-0.131	
	L. Total				
	M. National Departure Point				73.00
	N. Model-Adjusted Performance Level (L+M)				
	O. Governor's Adjustment				
	P. SDA Performance Standard				

JTPA PERFORMANCE STANDARDS WORKSHEET
FOR PY 99/00
Average Wage at Placement (Title III)

A. Service Delivery Area's Name:		B. SDA Number:			
C. Performance Period: PY 99/00	D. Type of Standard: [ ] Plan [ ] Recalculated	E. Performance Measure: **Average Wage at Placement (Title III)**			
F. Local Factors	G. SDA Factor Values	H. National Averages	I. Differences (G-H)	J. Weights	K. Effect of Local Factors on Performance (I * J)
1. % Female		55.2		-0.0107	
2. % Age 55 or more		8.2		-0.0050	
3. % Not a high school grad		8.2		-0.0034	
4. % Post-high school (not a college graduate)		27.3		0.0067	
5. % College graduate		12.2		0.0262	
6. % Black (not Hispanic)		14.5		-0.0053	
7. % Other minority		9.9		-0.0030	
8. % Minority male		10.4		-0.0034	
9. % Basic skills deficient		34.9		-0.0051	
10. % Individual with a disability		3.1		-0.0024	
11. % Limited English-language proficiency		1.5		-0.0102	
12. % Vietnam-era veteran		6.1		-0.0011	
13. % Unemployed 15 or more weeks		36.1		-0.0029	
14. Dislocation wage		10.3		0.4289	
15. % No dislocation wage		7.3		0.0468	
16. Three-year growth in earnings in trade		0.0		0.0085	
17. Annual earnings in retail and wholesale trade		17.3		0.1742	
18. % of families with income below poverty level		10.6		-0.0140	
19. Employee/resident worker ratio		97.2		-0.0066	
L. Total					
M. National Departure Point					$9.32
N. Model-Adjusted Performance (L+M)					
O. Governor's Adjustment					
P. SDA Performance Standard					

**GENERAL INSTRUCTIONS FOR COMPLETING
JOB TRAINING PARTNERSHIP ACT (JTPA)
PERFORMANCE STANDARDS WORKSHEETS
PROGRAM YEAR (PY) 1999/2000
(July 1, 1999, through June 30, 2000)**

GENERAL INSTRUCTIONS FOR COMPLETING JTPA TITLE III PERFORMANCE STANDARDS WORKSHEETS FOR PY 99/00

The following provides general instructions for completing the JTPA Performance Standards Worksheets including the sources of data and computation methods for the items on the worksheets.

A. Service Delivery Area (SDA) Name
    Enter the SDA name.

B. SDA Number
    Enter the JTPA number assigned by the Governor to the SDA.

C. Performance Period
    Enter the performance period.

D. Type of Standard
    Enter a check in the box next to the appropriate response (i.e., whether the standard is based on the SDA plan or is recalculated based on actual service levels).

E. Performance Measure
    The name of the appropriate performance measure for which the SDA Performance Standard is being established is preprinted.

F. Column F—Local Factors
    The Local Factors determined by the Secretary to have a measurable influence on SDA expected performance levels for each of the performance measures are preprinted.

G. Column G—SDA Factor Values
    Enter the SDA values for each Local Factor listed in Column F. When the worksheets are used for planning purposes, these SDA Factor Values should reflect the characteristics of the participants expected to terminate during the program year. These planning values should be obtained from the SDA. When the worksheets are used to calculate final standards, actual terminee characteristics should be substituted for the planned Factor Values.

    The characteristics of the terminees must be expressed as a percent of the total number of participants who terminate during the program year. The SDA local economic data provided in *Attachment 3* might be used to determine the SDA Factor Values for local economic conditions.

    NOTE: The definitions of the local factors are based on the Standardized Program Information Report (SPIR) definitions.

H. Column H—National Averages
    National Averages mean data for the Local Factors shown in Column F are
    preprinted. These represent the characteristics for JTPA terminees served in
    PY 1996/97.

I. Column I—Difference
    Subtract Column H (National Averages) from Column G (SDA Factor Values) for
    each Local Factor listed in Column F and enter the result in Column I.

J. Column J—Weights
    The appropriate Weights for each Local Factor listed in Column F is preprinted.
    These Weights indicate the estimated effect of each characteristic on the
    performance measure in question.

K. Column K—Effect of Local Factors on Performance Expectations
    Multiply Column I by Column J for each Local Factor listed in Column F and enter
    the result in Column K.

L. Block L—Total
    Obtain the total of items listed in Column K by adding the positive items and
    subtracting the negative items. This represents the net effect of Local Factors on
    performance.

M. Block M—National Departure Point
    The National Departure Point for each performance measure is preprinted for all
    measures.

N. Block N—Model-Adjusted Performance Level
    Add Block L to Block M. Enter the result in Block N. This figure represents the
    Model-Adjusted Performance Level.

O. Block O—Governor's Adjustment
    The Governor may adjust the Model-Adjusted Performance Level to account for
    additional circumstances to include a productivity improvement factor or to allow for
    statistical imprecision.

    Although the adjustment models produce meaningful performance standards for a
    large majority of SDAs, under some circumstances, the results may be unacceptably
    extreme. Governors should examine individual performance expectations for the
    SDAs with extreme model-adjusted performance levels. The model-adjusted values
    that are considered extreme for Title III are given in *Attachment 4*.

    Combine the adjustments allowed by the Governor and enter in Block O the total
    positive or negative adjustment. If no adjustment is determined to be appropriate,
    enter a zero in Block O. Generally, the Governor's Adjustment applied at the
    beginning of the year for planning purposes should also be applied at the end of the
    year to determine actual standards. However, it should be recalculated based on

actual data, if possible. Further, additional adjustments may be made for circumstances that vary from the beginning to the end of the year due to unanticipated circumstances that occurred during the year.

P. Block P—SDA Performance Standard
Combine Block O with Block N. Enter the result in Block P.

NOTE: The user is reminded that National Averages and Weights (preprinted in Columns H and J) and the National Departure Points in Block M must not be changed when calculating the expected performance level to preserve the integrity of the modeling approach. Further, all Local Factors must be included when computing the Model-Adjusted Performance Level.

**ECONOMIC PLANNING DATA FOR
PERFORMANCE STANDARDS
PROGRAM YEAR (PY) 1999/2000
(July 1, 1999, through June 30, 2000)**

ECONOMIC PLANNING DATA
FOR PY 99/00

SDA	Avg. Annual Earnings in Retail/Wholesale Trade (1,000s)	PY 99/00 Unemployment Rate	Percent Employed in Mining, Manufacturing, and Agriculture
	(LMID: 1990 Census)	(LMID)	(LMID: 1990 Census)
Alameda County	29.9	3.1	16.3
Anaheim	22.9	3.3	20.6
Butte	16.4	7.5	11.7
Carson/Lomita/Torrance	25.3	6.4	17.2
Contra Costa	24.8	3.0	8.9
Foothill	25.3	6.4	17.2
Fresno	19.5	14.3	27.0
Golden Sierra	19.6	4.2	11.0
Humboldt	15.9	6.9	15.7
Imperial	17.8	25.1	35.6
Kern/Inyo/Mono	18.8	11.9	28.2
Kings	17.6	13.7	36.6
Long Beach	25.3	6.4	17.2
Los Angeles City	24.6	7.3	15.6
Los Angeles County	25.3	6.4	17.2
Madera	18.1	12.5	40.9
Marin	24.2	2.2	5.3
Mendocino	15.8	7.5	21.4
Merced	17.0	14.3	34.7
Monterey	20.2	10.4	27.2
Mother Lode	14.6	6.9	10.4
Napa	18.9	3.7	24.1
NoRTEC	15.0	9.4	16.5
NCC	16.5	12.7	24.9
NOVA	36.5	2.6	30.6
Oakland	25.7	6.3	11.7
Orange	30.2	2.4	17.6
Richmond	19.2	6.4	10.4
Riverside	19.0	6.3	16.7
Sacramento	20.9	4.6	6.9
San Benito	18.6	9.1	29.2
San Bernardino City	17.5	7.7	8.5
San Bernardino County	20.9	5.0	14.8
San Diego	21.4	3.4	12.6
San Francisco	27.9	3.4	6.4
San Joaquin	20.3	9.8	22.2
San Luis Obispo	15.9	3.8	13.8
San Mateo	31.1	2.3	11.6

ECONOMIC PLANNING DATA
FOR PY 99/00

SDA	Avg. Annual Earnings in Retail/Wholesale Trade (1,000s)	PY 99/00 Unemployment Rate	Percent Employed in Mining, Manufacturing, and Agriculture
	(LMID: 1990 Census)	(LMID)	(LMID: 1990 Census)
Santa Ana	16.2	5.1	25.9
Santa Barbara	20.0	4.3	19.4
Santa Clara	31.1	3.8	26.8
Santa Cruz	20.0	7.0	24.7
SELACO	25.3	6.4	17.2
Shasta	17.0	8.2	9.5
Solano	19.2	5.1	11.4
Sonoma	21.4	3.0	18.4
South Bay	25.3	6.4	17.2
Stanislaus	19.0	11.6	27.5
Tulare	18.3	16.9	37.5
Ventura	21.6	5.3	20.7
Verdugo	25.3	6.4	17.2
Yolo	25.2	5.0	14.4
State Total	24.2	5.8	17.4

ECONOMIC PLANNING DATA
FOR PY 99/00

SDA	Population Density (1,000s/sq. mi.)	Family Income Below Poverty Level In %	Employee/ Resident Worker Ratio	Three-Year Growth Rate in Earnings in Retail/Wholesale Trade
	(LMID: CY 98)	(LMID: CY 98)	(DOL: CY 90)	(DOL CY 94-CY 97)
Alameda County	1.48	4.9	99.6	3.9
Anaheim	6.80	7.4	100.2	2.6
Butte	0.12	12.2	97.7	-9.0
Carson/Lomita/Torrance	2.37	11.6	105.6	-0.7
Contra Costa	1.17	4.6	83.0	2.4
Foothill	2.37	11.6	105.6	-0.7
Fresno	0.13	16.8	102.5	-0.7
Golden Sierra	0.08	5.6	80.3	3.9
Humboldt	0.04	12.8	101.4	-12.4
Imperial	0.03	20.8	100.7	-0.8
Kern/Inyo/Mono	0.03	13.4	102.2	0.9
Kings	0.09	15.0	99.2	-3.9
Long Beach	2.37	11.6	105.6	-0.7
Los Angeles City	7.00	14.9	105.6	-0.7
Los Angeles County	2.37	11.6	105.6	-0.7
Madera	0.05	13.1	86.9	7.6
Marin	0.47	3.0	84.1	6.4
Mendocino	0.02	11.0	99.4	-9.1
Merced	0.11	15.4	94.1	-10.3
Monterey	0.12	8.5	98.7	0.0
Mother Lode	0.03	7.3	89.5	-4.1
Napa	0.16	4.6	93.2	0.9
NoRTEC	0.01	11.9	96.6	4.1
NCC	0.05	13.3	94.2	-4.1
NOVA	4.79	2.9	108.2	11.5
Oakland	7.00	16.7	99.6	3.9
Orange	2.94	4.1	100.2	2.6
Richmond	3.12	13.5	83.0	2.4
Riverside	0.20	8.4	84.4	2.5
Sacramento	1.20	9.8	104.4	2.3
San Benito	0.03	7.3	77.4	4.7
San Bernardino City	3.32	19.5	83.9	-0.4
San Bernardino County	0.07	9.1	83.9	-0.4
San Diego	0.66	8.1	98.8	3.9
San Francisco	7.00	9.7	148.3	-4.8
San Joaquin	0.39	12.0	94.8	-1.9

ECONOMIC PLANNING DATA
FOR PY 99/00

SDA	Population Density (1,000s/sq. mi.)	Family Income Below Poverty Level In %	Employee/ Resident Worker Ratio	Three-Year Growth Rate in Earnings in Retail/Wholesale Trade
	(LMID: CY 98)	(LMID: CY 98)	(DOL: CY 90)	(DOL CY 94-CY 97)
San Luis Obispo	0.07	6.8	98.4	1.2
San Mateo	1.59	4.3	92.3	4.2
Santa Ana	7.00	12.5	100.2	2.6
Santa Barbara	0.15	7.4	102.5	6.6
Santa Clara	1.04	5.7	108.2	11.5
Santa Cruz	0.56	6.2	89.1	2.3
SELACO	2.37	11.6	105.6	-0.7
Shasta	0.04	11.0	100.3	-6.5
Solano	0.46	6.0	76.2	-2.9
Sonoma	0.28	5.2	87.3	3.2
South Bay	2.37	11.6	105.6	-0.7
Stanislaus	0.29	11.4	93.7	1.3
Tulare	0.07	18.0	94.7	1.7
Ventura	0.40	5.0	83.5	0.1
Verdugo	2.37	11.6	105.6	-0.7
Yolo	0.15	9.8	107.4	1.4
State Total	0.21	9.3	100.0	1.8

EXTREME VALUES
PROGRAM YEAR (PY) 1999/2000
(July 1, 1999, through June 30, 2000)

Model-Adjusted Performance Standards for Title III PY 99/00

Local Factors Title III Dislocated Workers PY 99/00

EXTREME MODEL-ADJUSTED PERFORMANCE STANDARDS
FOR TITLE III

	Extremely Low	Extremely High
Entered Employment Rate	<59%	>83%
Wage at Placement	<$5.15	>$14.74

EXTREME VALUES FOR LOCAL FACTORS:
TITLE III DISLOCATED WORKERS

	Extremely Low	Extremely High
% Female	<24	>84
% Age 55 or more	--	>23
% Not a high school graduate	--	>32
% Post-high school (including college)	<8	>60
% College graduate	--	>44
% Black (not Hispanic)	--	>81
% Other minority	--	>86
% Minority male	--	>48
% Cash welfare recipient	--	>18
% Basic skills deficient	--	>79
% Individual with a disability	--	>18
% Limited English-language proficiency	--	>19
% Offender (includes misdemeanors only)	--	>22
% Vietnam-era veteran	--	>19
% Displaced homemaker	--	>16
% Unemployed 15 or more weeks	<9	>75
% UI claimant	<20	>95
% UI exhaustee	--	>23
Dislocation wage	--	>18.64
% No dislocation wage	--	--
Unemployment rate	<2	>17
Three-year growth in earnings in trade	<-7	>7
Annual earnings in retail and wholesale trade	<12	>29
% Employed in manufacturing, agriculture, and mining	<5	>45
% of families with income below poverty	<2	>34
Employee/resident worker ratio	<63	>177